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Department of the Treasury

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Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number/Fax Number:

Refer Reply To:

CC:ITA:B7

PLR-122603-21

Date:

February 09, 2022

In re: Request for Extension of Time to File a Duplicate Copy of
Form 3115, *Application for Change in Accounting Method*

LEGEND

Partnership =
DE1 =
DE2 =
DE3 =
DE4 =
DE5 =
DE6 =
Year =

X =
Date1 =
Date2 =
Date3 =
Date4 =
Firm1 =
Firm2 =

Dear :

This ruling letter responds to a letter dated November 1, 2021, and subsequent

correspondence, submitted by your authorized representative on behalf of Partnership and its wholly owned affiliates, DE1, DE2, DE3, DE4, DE5, and DE6 (collectively, Affiliates). In that letter, Partnership requests the consent of the Commissioner of Internal Revenue (Commissioner) to grant an extension of time pursuant to §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to file a duplicate copy of a Form 3115, *Application for Change in Accounting Method*, (Ogden copy) with the Ogden, UT office of the Internal Revenue Service (Service) to change its methods of accounting for depreciation, effective for the Taxable Year, as required under section 6.03(1)(a)(i)(B) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, 432. This letter ruling is being issued electronically in accordance with section 7.02(5) of Rev. Proc. 2021-1, 2021-1 I.R.B. 1, 35. A paper copy will not be mailed.

FACTS

Partnership represents that the facts are as follows:

Partnership, a limited partnership, files a Form 1065, *U.S. Return of Partnership Income* on a calendar year basis. Partnership's overall method of accounting is the accrual method. Partnership treats the Affiliates as disregarded entities for federal income tax purposes. Hereinafter, Partnership and Affiliates are collectively referred to as Taxpayer. The due date of Partnership's Form 1065 (including extensions) for the Taxable Year was Date1.

Each of the Affiliates holds and operates a separate property (collectively, Properties). X manages Partnership, including assisting Partnership with its annual income tax filings. X engaged Firm1 to prepare Partnership's federal and state income tax returns for the Tax Year. In Date2, X engaged Firm2 to perform a cost segregation study for the Properties. X also engaged Firm2 to prepare a Form 3115 to obtain automatic consent to change the Affiliates' methods of accounting for depreciation, effective for the Taxable Year. The change in methods of accounting were described in section 6.01 of Rev. Proc. 2019-43, 2019-48 I.R.B. 1107, 1115 (designated automatic change number (DCN) 7). Partnership's Form 1065 for the Taxable Year (year of change) implemented the change in methods of accounting for depreciation, as described in the Form 3115.

On Date2, Firm2 sent X a signed original and a fileable copy of the completed Form 3115 with written instructions indicating that the Ogden copy must be mailed as soon as possible prior to the extended due date of the return. On Date2, X provided Firm1 with the original Form 3115. On Date1, Firm1 timely e-filed Partnership's Form 1065 for the Taxable Year and attached the original Form 3115. The filing was accepted on Date1. X intended to timely file the Ogden copy. As a result of intervening circumstances, X inadvertently failed to file the Ogden copy, on or before Date1. On Date4, X discovered the failure to timely file the Ogden copy and contacted Firm1.

RULING REQUESTED

Accordingly, Partnership, on behalf of the Affiliates, requests an extension of time pursuant to §§ 301.9100-1 and 301.9100-3 to file the Ogden copy of the original Form 3115, *Application for Change in Accounting Method*, as required under section 6.03(a)(i)(B) of Rev. Proc. 2015-13, to change their methods of accounting for depreciation, effective for the Tax Year.

LAW AND ANALYSIS

Rev. Proc. 2015-13 provides the procedures by which a taxpayer may obtain automatic consent to change certain accounting methods. Section 9 of Rev. Proc. 2015-13 provides that consent of the Commissioner to change its accounting method under § 446(e) and § 1.446-1(e) of the Income Tax Regulations is granted only if the taxpayer complies with all the applicable provisions of the revenue procedure and implements the change in method on its federal income tax return for the requested year of change to which the original Form 3115 is attached pursuant to section 6.03.

Section 6.03(1)(a)(i) of Rev. Proc. 2015-13 provides that a taxpayer changing an accounting method pursuant to Rev. Proc. 2015-13 must complete and file a Form 3115 in duplicate. The original Form 3115 must be attached to the taxpayer's timely filed (including any extension) original federal income tax return for the year of change, and a copy (with signature) of the Form 3115 must be filed with the Ogden, UT office of the Service no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation published in the Federal Register, or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make certain regulatory elections.

Section 301.9100-3(a) provides that requests for relief subject to § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith and that the granting of relief will not prejudice the interests of the Government.

Section 301.9100-3(c)(2) imposes special rules for accounting method regulatory elections. This section provides, in relevant part, that the interests of the Government are deemed to be prejudiced except in unusual and compelling circumstances when the accounting method regulatory election for which relief is requested is subject to the procedure described in § 1.446-1(e)(3)(i) or the relief requires an adjustment under § 481(a) (or would require an adjustment under § 481(a) if the taxpayer changed to the accounting method for which relief is requested in a taxable year subsequent to the taxable year the election should have been made).

CONCLUSION

Based solely on the facts and representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied in Taxpayer's case. Accordingly, Partnership is granted 60 calendar days from the date of this letter to file the Ogden copy of the Form 3115 for the Taxable Year. Partnership must attach a copy of this letter ruling to the Ogden copy. A copy of this letter ruling is enclosed for that purpose. Provided Partnership meets these filing requirements, we will consider the Ogden copy for the Taxable Year to be timely filed under the procedures of Rev. Proc. 2015-13.

Except as expressly set forth above, we express no opinion concerning the federal tax consequences of the facts described above under any other provision of the Code or regulations. Specifically, no opinion is expressed or implied, concerning whether: (1) the accounting method changes that Taxpayer has made are eligible to be made under section 6.01 of Rev. Proc. 2019-43 and Rev. Proc. 2015-13; (2) Taxpayer otherwise meets the requirements of Rev. Proc. 2015-13 to make its accounting method changes using the procedures of Rev. Proc. 2015-13; or (3) Taxpayer's classification, depreciation method, convention, or recovery period of the assets subject to Form 3115 are correct.

This letter ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that this ruling may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, we are sending a copy of this letter to Taxpayer's authorized representative. We also are sending a copy of this letter ruling to the appropriate IRS operating division official.

Sincerely,

ELIZABETH R. BINDER
General Attorney (Tax), Branch 7
Office of Associate Chief Counsel
(Income Tax & Accounting)

Enclosures (2):
copy of this letter
copy for section 6110 purpose

cc: